Supreme Court, U.S.
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No. 85-1243

In the Supreme Court of the United States

OCTOBER TERM, 1985

NICK N. NOVICKY,

Petitioner,

vs.

SYNTEX OPHTHALMICS, INC. and
ARAPAHOE CHEMICALS, INC.
(now SYNTEX CHEMICALS, INC.),

Respondents.

NICK N. NOVICKY,

Petitioner,

vs.

GEORGE F. TSUETAKI and
FUSED KONTACTS OF CHICAGO, INC.,

Respondents.

On Petition for Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

PETITIONER'S REPLY BRIEF

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PETITIONER'S REPLY BRIEF

Syntex, to be sure, has not answered our showing that this is a case warranting

this Court's attention -- just as it did when certiorari was previously granted.

Indeed, the reasons and lame excuses provided by Syntex to support the judgment of the Federal Circuit reinstating a judgment which this Court vacated are replete with misrepresentations and false statements.

Not the least of those is Syntex' bald assertion that "no final judgment was entered by the District Court until the Federal Circuit mandate was issued" (Respondents' brief, p. 4). The true facts are as follows:

The judgment of the Federal Circuit of October 3, 1984 was vacated on

on March 18 when this Court granted certiorari (see _____ U.S. _____, 105 S.C. 1740, 84 L.Ed.2d 807). The Federal Circuit treated this Court's order as one vacating its entire judgment (A 59-60). The District Court, on September 4, 1985 -- before the mandate from the Federal Circuit was issued -- entered a final judgment on remand and a revised final injunction.

That is but one of many misstatements in respondents' brief. In showing that respondents have not answered the petition, we shall point out more of respondents' misstatements made in an effort to buttress a district court proceeding that was fundamentally unfair.

I. Syntex' Arguments That Summary Judgment On The Question Of Title To The Non-Private Patents Was Proper Ignores The Illinois Appellate Court Ruling Made Obligatory On The Federal Circuit.

As we pointed out in our petition, this Court's direction that the original judgment of the Federal Circuit be re-examined in light of Marrese v. American Academy Of Orthopaedic Surgeons (1985), 470 U.S. ____, 105 S.C. 1327, 84 L.Ed. 274, was just ignored by the Federal Circuit on remand.

In the first place, the Federal Circuit just ignored Illinois law requiring, in the words of the Illinois Supreme Court that:

> "The correctness of the trial court's action on remand is to be determined from the appellate court's mandate, as opposed to the appellate court opinion."

See PSL Realty Company v. Granite Investment Co. (1981), 86 Ill.2d 291, 427 N.E.2d 563, 571.

The Federal Circuit just ignored that rule of the Illinois Supreme Court -- in direct violation of Marrese.

More important than the question of what Illinois law holds is the fact that the Federal Circuit proceeded in naked conflict with the holding of the Illinois Appellate Court made obligatory on the Federal Circuit by 28 U.S. Code §1738 and Marrese. Thus:

(1) The Illinois Appellate Court directed that the entire case -- and not just some issues -- be retried (A 57), while the Federal Circuit held that no trial on the

title issue anent the non-private patents was necessary.

(2) The Illinois Appellate Court directed that the case be retried with Syntex as a necessary party (A 54), while the Federal Circuit, once again, refused to order a new trial -- whether or not Syntex was a party.

When all the rhetoric and legal niceties are stripped away, one fact stands out in bold relief: the Federal Circuit gave a preclusive effect to a state trial court judgment which was reversed and remanded for a new trial on the ground that it was procured through "fraud" and "unconscionable behavior". And that, we most respectfully submit, is wrong and unfair.

II. Novicky's Counterclaim, Reinstated By The Reversal In The Illinois Appellate Court, Reopens The Question Of Whether Novicky Was Obligated To Assign The Non-Private Patents.

Syntex' position -- echoing that of the Federal Circuit -- is based on a point that was never urged by Syntex before the Federal Circuit. That point was that the Illinois Appellate Court did not really reverse the Illinois state trial court decision respecting the non-private patents. Syntex says that Novicky assigned those non-private patents to Tsuetaki pursuant to the agreement and received $20,000 compensation for them.

There are two answers to that argument, either one of which lays it

to rest completely. The first is that Novicky, in the state court action, pleaded that he was entitled to rescission of the very agreement obligating his assignment of the private patents. While the Illinois trial court dismissed Novicky's counterclaim and pleas for recision -- in a judgment held by the Illinois Appellate Court as procured through "fraud" and "unconscionable behavior" (A 52) -- the Illinois Appellate Court decision reinstates Novicky's counterclaim. If he is successful in proving his right to rescission under it, the formal assignments relied on by Syntex in support of its claim to the patents fail.

In other words, just as the Illinois Appellate Court held, the issue of

title to those non-private patents must be resolved in a forum where both Tsuetaki and Syntex are present, and not in the compartmentalized fashion as Syntex urges.

The second reason why those formal assignments touted so highly by Syntex buy it absolutely nothing is that Tsuetaki destroyed Novicky's obligations to assign those patents by engaging in the very "fraud" and "unconscionable behavior" which the Illinois Appellate Court found had tainted the original state trial court decision.

Conclusion

Novicky's petition is meritorious

and should be granted.

Respectfully submitted,

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